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SENATE

REPORT
No. 98-217

AMENDING THE DISTRICT OF COLUMBIA RETIREMENT REFORM ACT

SEPTEMBER 1, 1983.—Ordered to be printed

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Mr. ROTH, from the Committee on Governmental Affairs, submitted the following

REPORT

[To accompany S. 1625]

The Committee on Governmental Affairs to which was referred the bill (S. 1625) to amend the District of Columbia, Retirement Reform Act, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

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I. PURPOSE OF THE LEGISLATION

The purpose of this legislation is to change the formula of Section 145 of Public Law 96-122, known as the "trigger mechanism." The purpose of Section 145 of the District of Columbia Retirement Reform Act was to encourage the District of Columbia to effectively administer disability retirements under the police officers' and fire fighters' retirement system.

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This was to be accomplished by reducing the annual $34.1 million Federal contribution to the District of Columbia Police Officers' and Fire Fighters' Fund whenever the cost of disability retirement benefits for certain employees exceeded an amount determined under a complex actuarial formula codified in Section 145.

The formula, as now operating, has proved expensive to calculate, complicated, and unfair to the District of Columbia. S. 1625 will remedy those defects.

II. Need for Legislation

A. Scope of the Problem

The "trigger mechanism" was included in Public Law 96–122 because of an extraordinarily high rate of disability retirements from the District of Columbia police force and fire department.

For example, in 1967, 185, or 92 percent, of the 201 fire fighters and police officers retiring in the District retired on disability. In 1968, the figure was 244 out of 254, or 96 percent. In 1969, the figure was 237 out of 241, or 98 percent. For the years 1967 through 1982, the following chart provides the actual statistics on the number of District police and fire fighter retirements, the number of disability retirements, and the percentage of disability retirements.

OPTIONAL AND DISABILITY RETIREMENTS—METROPOLITAN POLICE AND FIRE DEPARTMENTS

[In calendar years]

	Optional service retirements		Disability retirements [1]		Total retirements
	Number	Percent	Number	Percent	
Police:					
1967	12	8	130	92	142
1968	5	3	174	97	179
1969	3	2	156	98	159
1970	2	2	114	98	116
1971	33	23	113	77	146
1972	37	29	92	71	129
1973	59	45	72	55	131
1974	52	51	50	49	102
1975	44	35	80	65	124
1976	36	33	73	67	109
1977	60	48	64	52	124
1978	72	56	57	44	129
1979	74	80	13	15	87
1980	311	[2] 92	[2] 28	[2] 8	[2] 339
1981	14	40	21	60	35
1982	8	38	13	62	21
Fire:					
1967	4	7	55	93	59
1968	5	7	70	93	75
1969	1	1	81	99	82
1970	3	5	57	95	60
1971	7	8	81	92	88
1972	8	13	54	87	62
1973	16	29	40	71	56
1974	18	42	25	58	43
1975	23	45	28	55	51
1976	33	53	29	47	62
1977	19	37	32	63	51

OPTIONAL AND DISABILITY RETIREMENTS—METROPOLITAN POLICE AND FIRE DEPARTMENTS—Continued

[In calendar years]

	Optional service retirements		Disability retirements [1]		Total retirements
	Number	Percent	Number	Percent	
1978	22	56	17	44	39
1979	36	88	5	12	41
1980	136	[2] 96	[2] 6	[2] 4	[2] 142
1981	12	71	5	29	17
1982	5	62	3	38	8
Total:					
1967	16	8	185	92	201
1968	10	4	244	96	254
1969	4	2	237	98	241
1970	5	3	171	97	176
1971	40	17	194	83	234
1972	45	24	146	76	191
1973	75	40	112	60	187
1974	70	48	75	52	145
1975	67	38	108	62	175
1976	69	40	102	60	171
1977	79	45	96	55	175
1978	94	56	74	44	168
1979	110	86	18	14	128
1980	[3] 447	[2] 93	[2] 34	[2] 7	[2] 481
1981	26	50	26	50	52
1982	13	45	16	55	29

[1] Includes disabilities caused or aggravated by performance of duty and disabilities not related to performance of duty.
[2] A correction in the number of disability retirements, percentages and totals for 1980.
[3] 210 were "early retirements."

Source: Police and Firefighters Retirement and Relief Board.

It can be seen from the chart that the absolute number of police and fire fighter disabilities in the District has decreased dramatically in recent years. Despite this absolute decrease, however, the trigger mechanism would have operated to reduce the Federal contribution to the retirement system provided by the Act. The trigger mechanism now works as follows:

1. Operation of present "trigger mechanism"

Section 145 now requires that the District of Columbia Retirement Board annually engage an enrolled actuary to determine (1) the estimated present value of disability benefits that will be paid to those members of the District of Columbia Police Officers and Fire Fighters' retirement system who were hired before February 15, 1980, and who had not retired as of the first day of the preceding calendar year, and (2) the estimated present value of disability benefits that would be paid to the same members if they were subject to the new disability retirement provisions established by the Act, which are applicable only to members hired after February 14, 1980. The enrolled actuary then must state whether, in accordance with sound actuarial practice, it can be said that the ratio of (1) to (2), above, is greater than 1.02.

A ratio greater than 1.02 triggers a reduction in the amount of the Federal contribution. The amount of reduction is that percentage equal to the ratio of the number of officers and members hired

before February 15, 1980, who retired on disability during the preceding year to the number who retired, died, withdrew by taking out a lump sum payment, or separated from active duty while eligible for a deferred annuity during such year.

2. Experience for 1980, 1981, and 1982

The first official determination under the trigger mechanism was required to be made in 1983 based upon the experience of calendar year 1982. The enrolled actuaries and the General Accounting Office also examined the District's disability experience for 1980 and 1981.

Calculations for disability retirements in calendar years 1980, 1981, and 1982, which were based on percentages of disability furnished by the Police and Firefighters' Retirement and Relief Board, resulted in a ratio of 1.23 for 1980, a ratio of 1.45 for 1981, and a ratio of 1.448 for 1982.

Since all of these ratios were greater than 1.02, the "trigger mechanism" would have been activated in 1980 and 1981, and was activated in 1982, applicable to fiscal year 1983. The percentage reduction in the federal contributions for 1980 would have been 4.6 percent, for 1981 it would have been 17.0 percent, and for 1982 it was 23.5 percent.

The 1982 ratio, which actually set off the trigger, has subjected the District to an $8.04 million loss from the $34.1 million Federal contribution for fiscal year 1983.

B. SOLUTION TO THE PROBLEM

According to the General Accounting Office, it is highly likely that, regardless of how effective the District is in administering disability retirements, the trigger mechanism will always be exceeded. Even in a year in which there were no disability retirements, the trigger ratio could exceed 1.02 because it is based on expected future disabilities.

S. 1625 corrects this inequity and greatly simplifies section 145 by providing that the Federal contribution be reduced only when the number of employees retired on disability is greater than eight-tenths of a percentage point of the active workforce (hired prior to February 15, 1980) on January 1 of each year.

Since all active officers and members face the risk of becoming disabled, and are therefore, potentially eligible to receive disability benefits, the disability retirement rate is the ratio of the number actually retired on disability to the number exposed to the risk.

Under the new formula, in any given calendar year, the District would need to retire 42 police officers and fire fighters on disability to set off the trigger. Given the disability statistics during the last few years, it is unlikely that the maximum allowable figure will ever reach 42.

It is foreseeable, however, that the maximum number of disabilities could exceed 42 in the event of unordinary circumstances or events of catastrophic magnitude. This legislation makes allowance for such an event by establishing a procedure whereby documented "catastrophic" disabilities would not count toward setting off the trigger.

Besides changing the trigger mechanisms formula and providing for a catastrophic occurrence, S. 1625 also provides that no reduction in the Federal contribution will occur if less than eight disability retirements covered by the amendment are granted in any one calendar year. In addition, this legislation simplifies the determination of the Federal contribution reduction. The contribution would be reduced by one and one-half percent for each one-tenth of one percent by which the disability retirement rate is greater than eight-tenths of a percentage point.

Under the new forumula, excessive disability rates would be penalized. However, the reasonable disability rates achieved by the District during the last three years would not set off the trigger.

III. Section-by-Section Analysis

SECTION 1

Section 1 amends section 145 of the District of Columbia Retirement Reform Act (93 Stat. 866, 822–884) to make a number of technical changes in connection with disability retirements from the District of Columbia's police force and fire department.

Subsection (a)

Subsection (a) establishes a formula to calculate a "disability retirement rate" and requires an enrolled actuary to: (1) determine the disability retirement rate, (2) determine whether the disability retirement rate is greater than eight-tenths of a percentage point, and (3) report said determinations to the District of Columbia Retirement Board and the Comptroller General no later than March 1 of each year.

Subsection (b)

Subsection (b) contains reporting requirements so that Congress can carry out its oversight of the amendment. It also requires the Comptroller General to review the accuracy of the actuarial determinations and determine if the Federal contribution to the District of Columbia's Police Officers and Fire Fighters' Retirement Fund should be reduced and by what amount.

Subsection (c)

Subsection (c) contains the calculation to be used to determine the amount of the reduction in the Federal contribution, if any; provides that there shall be no reduction in the Federal contribution if less than eight police officers and fire fighters retired on disability during an applicable calendar year, and makes allowance for unordinary or catastrophic events so that disability retirements directly caused by such events will not be included in the calculations which determine whether or note there will be a reduction in the Federal contribution.

SECTION 2

Section 2 establishes the effective date of the amendment.

IV. Legislative History

The District of Columbia government, the District of Columbia Retirement Board, and the enrolled actuaries notified Congress in the fall of 1982 that it appeared that the trigger mechanism codified in Section 145 of the District of Columbia Retirement Reform Act would cause a reduction in fiscal year 1983 in the Federal contribution to the District of Columbia's Police Officers and Fire Fighters' Retirement Fund.

This reduction would occur under the formula codified in law even though the District had only 16 disability retirements from its police force and fire department in 1982.

During the October 1979, conference on the Retirement Reform Act, Senator Eagleton, who had insisted on the formula in an effort to reduce an excessively large number of District police and fire disability pensions, stated that "if this (trigger mechanism) proves to be so harsh and so restrictive and so unworkable, then . . . there will be legislation in the ensuing years . . . and I would have to say, 'I guess that wasn't very good, we will have to devise another new one.' "

In November and December 1982, both the Retirement Board and the District submitted to Congress draft proposals for revisions in the disability formula.

In March 1983, when the General Accounting Office reviewed the actuarial findings for 1982, it agreed that a reduction in the Federal contribution to the police and fire fighters' fund would occur in fiscal year 1983 because of the formula codified in the Retirement Reform Act. The reduction figure was $8.04 million from the federal contribution of $34.1 million.

The Comptroller General, in an April 5, 1983, letter to the President pro tempore of the Senate, concuded that the formula needed revision and offered the assistance of the General Accounting office if Congress wished to enact a new formula.

During the next few months, the General Accounting Office worked closely with Committee staff, the District, and the Retirement Board to devise a new formula which would encourage the effective administration of police and fire disabilities but not unfairly penalize the District. A number of draft proposals were reviewed and commented on by interested parties during the drafting process.

S. 1625, which incorporated all suggested changes made by the General Accounting Office, the District, and the Retirement Board, was introduced on July 15, 1983.

Because of the highly technical nature of the bill, and because all parties concerned with the bill worked cooperatively in the drafting process, the Subcommittee on Governmental Efficiency and the District of Columbia, to which the bill was referred, concluded that a hearing was unnecessary.

Statements by Mayor Marion S. Barry, Jr., of the District of Columbia, the Comptroller General, and Frank Higgins, Chairman, District of Columbia Retirement Board, in support of S. 1625, follow:

THE DISTRICT OF COLUMBIA,
Washington, D.C., July 12, 1983.

Senator THOMAS F. EAGLETON,
Subcommittee on Governmental Efficiency and the District of Columbia, Washington, D.C.

DEAR SENATOR EAGLETON: The government of the District of Columbia is in full support of your legislation to amend the District of Columbia Retirement Reform Act to modify the "trigger mechanism".

The purpose of the trigger mechanism was to discourage the District government from granting excessive disability retirement benefits to police officers and firefighters. This was to be accomplished by reducing federal contributions whenever the cost of disability retirement benefits exceeded an amount determined under a complex actuarial formula. As a result of this provision, however, the District will incur a reduction in federal contributions even when the rate of disability retirement benefits awarded is substantially lower than the rate in effect before the Act became law. Thus, the trigger mechanism will authorize a reduction in the fiscal year 1983 Federal appropriation in the amount of $8.04 million. Additionally, the General Accounting Office, in their April 5, 1983 report, indicated that the existing statutes will always trigger a reduction in the Federal appropriation even in a year in which there were no disability retirements.

We believe the new formula you propose is much fair fairer and will have less of a negative impact on the District.

In addition, we would propose two changes to your draft legislation;

The reduction in the monetary penalty from 2.0 percent to 1.5 percent, and;

The inclusion of a clause to exclude from the calculation of a potential penalty any disability retirements ordered by a court of competent jurisdiction.

I appreciate your efforts and the hard work of your able Staff Assistant, Peggy Crenshaw, in fashioning a legislative proposal which has the full support of the District government, the District of Columbia Retirement Board and the GAO.

Again, thank you very much.

Sincerely,

MARION BARRY, Jr., *Mayor.*

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., July 27, 1983.

B-208412.

Hon. THOMAS F. EAGLETON,
U.S. Senate.

DEAR SENATOR EAGLETON: This is in response to your request for comments on S. 1625, 98th Congress, 1st Session, a bill to amend section 145 of the District of Columbia Retirment Reform Act, approved November 17, 1979 (93 Stat. 866, 882-884).

The bill provides for changing the "trigger mechanism" in subsection 145(a) of the act for determining whether the annual Feder-

al payment of $34,170,000 to the District of Columbia Police Officers and Fire Fighters' Retirement Fund (required under subsection 144(a)(1) of the act) shall be reduced.

Currently, subsection 145(a) requires that the Retirement Board annually engage an actuary to determine (1) the estimated present value of disability benefits that will be paid to those members of the District of Columbia police officers and fire fighters' retirement system who were hired before February 16, 1980, and who had not retired as of the first day of the preceding calendar year and (2) the estimated present value of disability benefits that would be paid to the same members if they were subject to the new disability retirement provisions established by the act, which are applicable only to members hired after February 15, 1980. The enrolled actuary then must state whether, in accordance with sound actuarial practice, it can be said that the ratio of (1) to (2), above, is greater than 1.02.

A ratio greater than 1.02 triggers a reduction in the amount of the Federal payment. Each Federal payment, beginning in fiscal year 1984 and ending in fiscal year 2004, is subject to reduction.

The intent of the trigger mechanism is to encourage the District Government to effectively administer disability retirements under the police officers and fire fighters' retirement system. It is highly likely that, regardless of how effective the District is in administering disability retirements, the trigger ratio will always be exceeded. Even in a year in which there were no disability retirements, the trigger ratio could exceed 1.02 because it is based on expected future disabilities.

As stated in our April 5, 1983, letter to the President pro tempore of the Senate commenting on the first report of the District's actuary, we see little purpose to the trigger mechanism as currently required by the act. Furthermore, it is a complicated, expensive calculation to make.

We believe the bill corrects the current problem by providing for a simplified comparison of whether the actual disability retirement rate exceeded an estimated rate of retirements to determine if the Federal payment shall be reduced. Since the estimated rate of disability retirement under the amendment is considerably less than the rate prior to 1979, the bill still provides an incentive for the District to continue to improve its administration of the program.

We recommend enactment of the proposed legislation.

Sincerely yours,

CHARLES A. BOWSHER,
Comptroller General of the United States.

DISTRICT OF COLUMBIA RETIREMENT BOARD,
Washington, D.C., June 28, 1983.

MS. MARGARET CRENSHAW,
Minority Chief Counsel, Subcommittee on Governmental Efficiency and the District of Columbia, Washington, D.C.

DEAR PEGGY: The Board supports Senator Eagleton's proposed bill to change the trigger mechanism in the D.C. Retirement

Reform Act as reflected in the copy of the bill which accompanied your letter to me dated June 17, 1983.

It would be our recommendation to include a provision to exclude disability awards which are the result of judicial determination from the trigger mechanism formula. These type of awards do not seem to be those against which the trigger mechanism was directed.

If we can be of any further help, please feel free to contact me.

Sincerely,

FRANK A. HIGGINS, *Chairman.*

V. ESTIMATED COST OF LEGISLATION

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., August 2, 1983.

Hon. WILLIAM V. ROTH, Jr.,
Chairman, Committee on Governmental Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed S. 1625, a bill to amend the District of Columbia Retirement Reform Act, as ordered reported by the Senate Committee on Governmental Affairs, August 1, 1983.

The District of Columbia Retirement Reform Act, Public Law 96–122 provides for an annual federal contribution of $34.1 million to the District of Columbia's Police Officers and Fire Fighters Retirement Fund. This bill changes the formula of the trigger mechanism in section 145 of Public Law 96–122. The trigger mechanism was intended to encourage the District of Columbia to reduce the number disability retirements. In practice, the formula in section 145 may activate the trigger mechanism when only a small number of disability retirements occur. When the mechanism is activated, the District is penalized by a reduction in the federal payment to the Retirement Fund. In fiscal year 1983 the Federal contribution was reduced by more than $8 million.

Based on this review, no increase in the amount authorized to be be appropriated through fiscal year 2004 is estimated. The only potential cost to the Federal Government is in the lost savings resulting from the diminished possibility of a reduction in spending below the authorized level.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

NANCY W. GORDON
(For Alice M. Rivlin, Director).

VI. SUBCOMMITTEE VOTE

S. 1625 was approved unanimously in subcommittee by a polling letter circulated July 22, 1983. The subcommittee approved four amendments. Three were technical corrections and the fourth was made at the request of the Federal Emergency Management Agency (FEMA). FEMA, which reviewed its role in the determina-

tion of disabilities caused by unordinary or catastrophic occurrences, wished to clarify that FEMA would make determinations regarding the extent of any catastrophe in the District, but would not make any assessment of individual disabilities which might be caused by such a catastrophe. The subcommittee accepted FEMA's language.

VII. Committee Vote

In compliance with paragraph 7(c) of rule XXVI of the Standing Rules of the Senate, S. 1625 was approved by the full Committee by a vote of 15–0 on August 1, 1983.

VIII. Evaluation of Regulatory Impact

Paragraph 11(b)(1) of Rule XXVI requires each report accompanying a bill to evaluate "the regulatory impact which would be incurred in carrying out the bill."

S. 1625 will not have any direct regulatory impact. It does not authorize any additional regulation of activities in the private sector, impose any new record keeping or reporting requirements on any segment of the public, or abolish any existing regulations.

IX. Changes in Existing Law

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes made by the bill as reported are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

District of Columbia Retirement Reform Act

(Public Law 96–122)

* * * * * * *

[Sec. 145. (a) After January 1, and before March 1, of each year beginning with calendar year 1983 and ending with calender year 2004, the enrolled actuary engaged pursuant to section 142 shall, with respect to the District of Columbia Police Officers and Fire Fighters' Retirement Fund—

[(1) determine the estimated present value (as of the date of the determination) of the cost to the Fund of the future benefits payable from such Fund for disability retirements under subsections (f)(1) and (g)(1) of the Policemen and Firemen's Retirement and Disability Act to those officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia who first became such officers or members on or before the end of the ninety-day period beginning on the date of the enactment of this Act and who were not retired on the first day of the preceding calendar year;

[(2) determine the estimated present value (as of the date of the determination) of the cost to the Fund of the benefits referred to in paragraph (1) determined as if such officers and members retire, had retired, or had to choose whether to retire under the provisions of subsection (f)(2) or (g)(5) of such Act, as

in effect on the day after the end of the ninety-day period beginning on the date of the enactment of this Act, except that in making determinations under this paragraph, the enrolled actuary (A) shall not take into account reductions pursuant to subsection (j)(3) of the Policemen and Firemen's Retirement and Disablity Act, and (B) shall take into account such factors as the actuary considers to be appropriate and in accordance with sound actuarial practice in order to eliminate age-specific or other bias; and

[(3) state whether, in accordance with sound actuarial practice, the ratio of the amount determined under paragraph (1) to the amount determined under paragraph (2) can be said to be greater than 1.02.

[The enrolled actuary shall report the determinations and statements made under paragraphs (1) through (3) for any year to the Board and to the Comptroller General of the United States not later than March 1 of such year.

[(b)(1) The Board and the Comptroller General shall each transmit a copy of each report by the enrolled actuary under subsection (a) to the Speaker, the President pro tempore, the Mayor, and the Council not later than March 31 of the year in which the report is made, and each shall submit comments on such report.

[(2) The Comptroller General shall include in his comments on each such reports transmitted under paragraph (1) a statement of whether the determinations and statement made by the enrolled actuary under subsection (a) were made in conformance with generally accepted actuarial practices and principles and whether such determinations and statements fairly present in all material respects the amounts described in paragraphs (1) and (2) of such subsection.

[(c) Notwithstanding any other provision of this Act, with respect to the fiscal year commencing in any calendar year in which a report of the enrolled actuary under subsection (a), as transmitted to the Congress in accordance with subsection (b), includes a statement by the enrolled actuary under paragraph (3) of subsection (a) that the ratio of the estimates determined under paragraphs (1) and (2) of such subsection is greater than 1.02, the amount authorized by section 144(a)(1) to be appropriated to the Fund for such fiscal year shall be reduced. Such reduction shall be an amount equal to the product of (1) the amount specified in such section, and (2) the ratio of (A) the number of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia who retired during the preceding calendar year under subsections (f)(1) and (g)(1) of the Policemen and Firemen's Retirement and Disability Act to (B) the number of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia who first became such members prior to the end of the ninety-day period beginning on the date of the enactment of this Act and who retired, died, withdrew by taking out a lump-sum payment, or separated from active duty while eligible for a deferred annuity under the Policemen and Firemen's Retirement and Disability Act during such year.

[(d)(1) Notwithstanding any provision of the Policemen and Firemen's Retirement and Disability Act or any other provision of this

Act, in any case in which any officer or member of the Metropolitan Police force or the Fire Department of the District of Columbia retires during calendar year 1979 or any subsequent calendar year through calendar year 2001 under subsection (f)(1) or (g)(1) of the Policemen and Firemen's Disability Act, the Board of Police and Fire Surgeons shall determine, within a reasonable time and in accordance with regulations which the Mayor shall promulgate, the percentage of impairment of such officer or member and shall report such percentage of impairment to the Police and Firemen's Retirement and Relief Board. In the case of such officer or member, such Board shall determine, within a reasonable time, the percentage of disability of such officer or member giving due regard to—

[(A) the nature of the injury or disease;

[(B) the percentage of impairment reported pursuant to the preceding sentence;

[(C) the position in the Metropolitan Police force or the Fire Department of the District of Columbia held by the officer or member immediately prior to such officer or member's retirement;

[(D) the age and years of service of the officer or member; and

[(E) any other factor or circumstance which may affect the capacity of the officer or member to earn wages or engage in gainful activity in his disabled condition,including the effect of the disability as it may naturally extend into the future

[(2) The Police and Firemen's Relief Board, on or before January 31 of each calendar year from 1980 through 2002, shall make available to the Comptroller General and the enrolled actuary all determinations (including related documents and information) made during the preceding calendar year pursuant to paragraph (1) of this subsection in order to enable the Comptroller General and the enrolled actuary to make the determinations and statement required by this section.]

SEC. 145. (a)(1) After January 1, and before March 1, of each year beginning with calendar year 1984 and ending with calendar year 2004, the enrolled actuary engaged pursuant to section 142 shall, with respect to the District of Columbia Police Officers and Fire Fighters' Retirmeent Fund—

(A) determine, in accordance with paragraph (2) of this subsection, the disability retirement rate for the preceding calendar year; and

(B) determine if such disability retirement rate for such preceding calendar year is greater than eight-tenths of a percentage point.

(2) For the purposes of clause (A) of paragraph (1) of this subsction, the disability retirement rate for the applicable calendar year shall be an amount equal to a fraction, the numerator of which is the number of officers and members of the Metropolitan Police Force and the Fire Department of the District of Columbia who first became officers or members on or before February 14, 1980, and who retired on disability during such applicable year under subsection (f)(1) or (g)(1) of section 12 of the Policemen and Firemen's Retirement and Disability Act (but such numerator shall not include any

such officer or member whose retirement is ordered by a court of competent jurisdiction), and the denominator of which is the toal number of such officers and members who were on active duty on January 1 of such applicable calendar year.

(3) The enrolled actuary shall report the determinations (including related documents and information) made under paragraph (1) of this subsection to the Board and to the Comptroller General of the United States not later than March 1 of each year.

(b)(1) The Board and the Comptroller General shall transmit a copy of each such report by the enrolled actuary under subsection (a) to the Speaker of the House of Representatives, the President pro tempore of the Senate, the chairman of the Committee on Governmental Affairs of the Senate, the chairman of the Committee on the District of Columbia of the House of Representatives, the chairman of the Committee on Appropriations of the Senate, the chairman of the Committee on Appropriations of the House of Representatives, the Mayor of the District of Columbia, and the Council of the District of Columbia, not later than March 31 of the calendar year in which the report is made, and each shall submit comments on such report.

(2) The Comptroller General shall include in his comments on each such report transmitted under paragraph (1) of this subsection a statement as to whether or not the determinations made by the enrolled actuary fairly present, in all material respects, the requirements of subsection (a) of this section.

(3) With respect to each applicable fiscal year, the Comptroller General shall make a determination, as provided for under subsection (c)(1) of this section of the amount, if any, by which the authorization under section 144(a)(1) should be reduced. The results of such determination, together with such other data, information and comments as the Comptroller General may deem necessary to enable the Congress, and the appropriate committees thereof, to carry out the provisions of subsection (c) of this section, shall be included as a part of his report under paragraph (1) of this subsection.

(c)(1) Notwithstanding any other provision of this Act, with respect to the fiscal year commencing October 1, 1984, and each fiscal year thereafter through the fiscal year commencing October 1, 2004, the authorization under section 144(a)(1) for each such fiscal year shall be deemed, for purposes of such section, to be reduced in the amount hereafter provided, if the report, submitted by the Comptroller General pursuant to subsection (b) of this section in the calendar year in which such fiscal year commences, states that the disability retirement rate under subsection (a) of this section for the preceding calendar year is greater than eight-tenths of a percentage point. The amount of such reduction shall be 1½ per centum for each whole tenth of a percentage point by which the disability retirement rate is greater than eight-tenths of a percentage point.

(2) There shall be no reduction pursuant to section 144(a)(1) and paragraph (1) of this subsection for any such fiscal year, if, in computing the disability retirement rate under subsection (a) of this section for the calendar year preceding the calendar year in which such fiscal year commences, the numerator is less than eight.

(3)(A) If the Board determines, on the basis of substantial facts, that unordinary circumstances or events of catastrophic magnitude,

such as a fire or civil disorder, caused or significantly contributed to the number of disability retirements under subsection (g)(1) of section 12 of the Policemen and Firemen's Retirement and Disability Act during a calendar year covered by the report submitted by the Comptroller General pursuant to subsection (b) of this section, it shall submit a detailed statement on such circumstances and events to the Federal Emergency Management Agency and the Comptroller General. Such statement shall be submitted on or before July 1 of the calendar year next following the calendar year covered by such report of the Comptroller General. The statement shall contain, among other matters, data on the total number of disability retirements under subsections (f)(1) and (g)(1) of section 12 of such Act for the applicable calendar year, the number of such retirements under subsection (g)(1) of such act which, in the opinion of the Board, were caused or significantly contributed to by such circumstances or events, and an explanation as to why the Board considers such events or circumstances to be unordinary and of a catastrophic magnitude.

(B) The Federal Emergency Management Agency shall review the Board's report and provide the Board its assessment within 60 days of receipt of the Board's report, of the scope, nature, involvement, and impact on District of Columbia police officers and firefighters of the events determined by the Board to be of unordinary and of a catastrophic nature. The Agency shall submit copies of its assessment to the Comptroller General, the Board, and the offices and officers set forth in subsection (b) of this section.

(C)(1) The Comptroller General, on the basis of such reports from the Board and the Federal Emergency Management Agency, shall determine the extent to which such disability retirements which such Agency determined were caused or contributed to by such events and circumstances, caused a reduction in the amount appropriated to the Fund as provided under subsection (c) of this section. The Comptroller General shall report the amount of such reduction so caused to the Board and to the offices and officers set forth in subsection (b)(1) of this section. Such reports shall be submitted on or before December 31 of the calendar year in which he receives such report of the Federal Emergency Management Agency.

(2) In addition to the amount authorized to be appropriated to the Fund for any fiscal year under section 144(a)(1), there is authorized to be appropriated such sum as may be necessary to pay to the Fund an amount equal to the amount of any reduction, plus interest lost to the Fund because of the reduction, for a fiscal year as reported by the Comptroller General to the offices and officers of the Congress pursuant to paragraph (1) of this subsection, but in no case shall any moneys be appropriated on the basis of the authorization pursuant to this paragraph except to the extent that any such reduction was actually made.

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